

Appendix 4

False and Misleading Statements Alleged In RKS Amendment

#	Date	Speaker & Source	Alleged Misstatement In RKS Am.	Category	Reason Why Alleged Misstatement Is Not Actionable ¹
20	March 2, 2018	PG&E YouTube Video	¶ 302 of the RKS Amendment: ² “PG&E prunes and removes over a million trees every year to ensure that hazardous trees can’t impact our lines. <i>And since the onset of the drought we’ve doubled our efforts.</i> ”	General Safety Vegetation Management	General statement of effort, corporate optimism, or puffery. <i>See</i> RKS Obj. § III.A.1; <i>Edison I</i> at *9. Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. § III.A.3.a; <i>Edison I</i> at *9-10.
21	March 22, 2018	PG&E Press Release	¶ 307: “Among other things, the press release stated that the program focused on ‘ <i>doing more over the long term to harden the electric system to help reduce wildfire threats and to keep customers safe,</i> ’ including by ‘ <i>investing in stronger, coated power lines,</i> ’ spacing lines farther apart to prevent line-on-line contact during wind storms, and replacing wood poles with non-wood poles in the coming years.”	General Safety Pole Integrity	General statement of effort, corporate optimism, or puffery. <i>See</i> RKS Obj. § III.A.1; <i>Edison I</i> at *9. Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. § III.A.3.a; <i>Edison I</i> at *9-10. Allegedly omitted facts regarding Caribou-Palermo transmission line do not conflict with these general, state-wide practices. <i>See</i> RKS Obj. § III.A.3.a; <i>Omnicare</i> , 575 U.S. at 189.

¹ For the Court’s convenience, this Chart summarizes the reasons that the RKS Claimants fail to plead the element of falsity for each statement as a matter of law. The RKS Claimants also fail to allege the other elements of their Exchange Act claims—including scienter, loss causation, and reliance—for reasons stated in the RKS Objection. To avoid duplicative numbering, the false statements alleged by the RKS Claimants are numbered consecutively following the final misstatement alleged by PERA, Statement 19.

² All emphases in RKS Am. unless otherwise noted.

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22	March 22, 2018	PG&E Press Release	¶ 310: PG&E was “[a]ugmenting [their] already rigorous vegetation management practices based on the High Fire-Threat District map adopted in January 2018 by the California Public Utilities Commission.”	General Safety	General statement of effort, corporate optimism, or puffery. <i>See</i> RKS Obj. § III.A.1; <i>Edison I</i> at *9.
23	March 27, 2018	PG&E Press Release	¶ 313: “Under PG&E’s industry-leading Vegetation Management Program, <i>the company inspects and monitors every PG&E overhead electric transmission and distribution line each year</i> , with some locations patrolled multiple times.”	Pole Integrity	Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. § III.A.3.a; <i>Edison I</i> at *9-10. Allegedly omitted facts regarding Caribou-Palermo transmission line do not conflict with these general, state-wide practices. <i>See</i> RKS Obj. § III.A.3.a; <i>Omnicare</i> , 575 U.S. at 189.
24	May 3, 2018	Geisha Williams Conference Call	¶ 316: “We have <i>more than doubled our annual spend to manage vegetation</i> from roughly \$190 million in 2013 to \$440 million in 2017 and <i>we increased the frequency of our patrols</i> , particularly in high fire threat areas, but the new normal needs new solutions. To that end, we recently announced our Community Wildfire Safety Program.”	Vegetation Management	Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. § III.A.3.a; <i>Edison I</i> at *9-10.
25	July 16, 2018	Nickolas Stavropoulos [No Source Alleged]	¶ 338: “Over the last seven years, we have accomplished so much together on our <i>journey to become one of the safest, most reliable energy companies</i> in the country. <i>As a team, we’ve worked to improve our culture, augment</i>	General Safety	General statement of effort, corporate optimism, or puffery. <i>See</i> RKS Obj. § III.A.1; <i>Edison I</i> at *9.

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			<i>our operations, upskill our people and, most importantly, improve public and employee safety.”</i>		
26	September 27, 2018	PG&E ESRB-8 Shutoff Protocol	<p>¶ 340 (alteration in RKS Am.):</p> <p>“PG&E reasserted that following the 2017 wildfires, one of the ‘new and enhanced safety measures’ being implemented was the <i>‘[d]isabling [off] automatic reclosing of circuit breakers and reclosers[.]’</i>”</p>	Reclosers	<p>Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. §§ III.A.1, III.A.3.a; <i>Edison I</i> at *9-10.</p> <p>Poor business judgments are not securities fraud. <i>See</i> RKS Obj. § III.A.3.c; <i>Santa Fe</i>, 430 U.S. at 467.</p>
27	October 1, 2018	David Gabbard FERC Testimony	<p>¶ 346:</p> <p>A. PG&E <i>is currently implementing four mitigations to reduce overhead conductor risk.</i> The first two mitigations revolve around equipment replacement work: additional overhead conductor replacement and additional insulator replacement. Replacing additional conductors and insulators reduces the likelihood that those conductors and insulators will fail, therefore reducing the likelihood that those failures will lead to transmission wires down . . .</p> <p>Q. Describe the Tower Replacement Program and how that will address the Transmission Risk.</p> <p>A. The Tower Replacement Program is established to manage the replacement of steel structures that have reached the end of their useful lives. The program targets replacement of deteriorated structures where repair is either less cost effective or not feasible.”</p>	Pole Integrity	<p>Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. §§ III.A.1, III.A.3.a; <i>Edison I</i> at *9-10.</p> <p>Allegedly omitted facts regarding Caribou-Palermo transmission line do not conflict with these general, state-wide practices. <i>See</i> RKS Obj. § III.A.3.a; <i>Omnicare</i>, 575 U.S. at 189.</p>

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28	October 1, 2018	Jessica Tsang FERC Testimony	<p>¶ 349:</p> <p>Q. Please describe the allocation of expenses in Account 561 – Load Dispatching.</p> <p>A. This account includes expenses incurred for operating the transmission system safely, reliably, and in compliance with all applicable rules, standards and regulations. Some examples of activities for which expenses are incurred include:</p> <ul style="list-style-type: none"> • Monitoring, assessing, and operating the power system and individual facilities in real-time to maintain safe and reliable operation of the transmission system; . . . <p>Q. Please describe the allocation of expenses in Account 563 – Overhead Line Expenses.</p> <p>A. This account includes expenses incurred for operating overhead transmission lines. Some examples of activities for which expenses are incurred include: • Patrolling and inspecting assets to identify any potential safety and reliability issues; . . .</p> <p>Q. Please describe the allocation of expenses in Account 571 – Maintenance of Overhead Lines. . . .”</p>	Compliance	<p>No guarantee of compliance when taken in context; FERC testimony describes the purpose of funds in Account 561, not PG&E’s overall compliance program. <i>See</i> RKS Obj. § III.A.2; <i>Edison I</i> at *10.</p> <p>Inactionable fraud by hindsight; not false when made. <i>See</i> RKS Obj. § III.A.2; <i>Twitter</i>, 29 F.4th at 619.</p> <p>No duty to disclose unproven violations. <i>See</i> RKS Obj. § III.A.2; <i>Edison I</i> at *10.</p>

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29	November 5, 2018	Geisha Williams Conference Call	<p>¶ 363:</p> <p><i>“We also have our public safety power shut off program that I mentioned earlier, and we’ll of course only utilize this as a last resort in the most extreme forecasted weather conditions. All of these efforts are in addition to our ongoing pole maintenance and visual and infrared inspections of our assets. We plan to continue patrolling our poles at frequencies within high fire threat areas beyond the compliance requirements in place in California. Collectively, this is an integrated comprehensive program to further reduce risk across our high fire threat areas.”</i></p>	<p>Pole Integrity</p> <p>ESRB-8</p>	<p>Failure to allege sufficient facts demonstrating falsity or contradicting statement. <i>See</i> RKS Obj. §§ III.A.3.a-b; <i>Edison I</i> at *9-10.</p> <p>Allegedly omitted facts regarding Caribou-Palermo transmission line do not conflict with these general, state-wide practices. <i>See</i> RKS Obj. § III.A.3.a; <i>Omnicare</i>, 575 U.S. at 189.</p> <p>Poor business judgments are not securities fraud. <i>See</i> RKS Obj. § III.A.3.c; <i>Santa Fe</i>, 430 U.S. at 467.</p>